IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE S.SIRI JAGAN

THURSDAY, THE 2ND AUGUST 2007 / 11TH SRAVANA 1929

WP(C).No. 23612 of 2007(J)

PETITIONERS:

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1. CHINNAMMA KURIAKOSE,
   PALLATHUKUDI HOUSE, ADIMALI P.O.,
   MANNAMKANDAM VILLAGE, IDUKKI DISTRICT.

2. BABU P.KURIAKOSE,
   PALLATHUKUDI HOUSE, ADIMALI P.O.,
   MANNAMKANDAM VILLAGE, IDUKKI DISTRICT.

BY ADV. SRI.THAMPAN THOMAS

RESPONDENTS:

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1. KERALA STATE FINANCIAL CORPORATION,
   VELLAYAMBALAM, THIRUVANANTHAPURAM-695 033,
   REP. BY ITS MANAGING DIRECTOR.

2. THE BRANCH MANAGER,
   KERALA STATE FINANCIAL CORPORATION,
   KATTAPPANA, IDUKKI DISTRICT.

3. P.C. BAIJU,
   PONGASSERY HOUSE, ADIMALI P.O.,
   MANNAMKANDAM VILLAGE, IDUKKI DISTRICT.

4. P.C. RAJEEV,
   PONGASSERY HOUSE, ADIMALI P.O.,
   MANNAMKANDAM VILLAGE, IDUKKI DISTRICT.

5. NALINI CHANDRAN,
   PONGASSERY HOUSE, ADIMALI P.O.,
   MANNAMKANDAM VILLAGE, IDUKKI DISTRICT.

R1 & R2 BY STANDING COUNSEL SRI.V.B.UNNIRAJ.

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 02/08/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

S. SIRI JAGAN, J.

WP(C) NO. 23612 OF 2007 - J

Dated this the 2nd day of August, 2007

J U D G M E N T

The petitioners are sureties in respect of a loan granted to one P.P.Chandran whose legal heirs are respondents 3 to 5. The legal heirs defaulted repayment of loan amounts. The first respondent-Corporation initiated proceedings under Section 29 of the State Financial Corporation Act (for short 'the Act'). The petitioners challenge the same on the ground that Section 29 proceedings can be initiated only in respect of an industrial loan and in this case, the loan is not an industrial loan. This is disputed by the Standing Counsel for the Corporation who submits that it is an industrial loan. However, for the present, the petitioners would be satisfied with a direction to the corporation to consider Exts.P2 and P3 representations filed by the petitioners inter alia seeking benefits of one time settlement. But, I do not find any request for one time settlement in Exts.P2 and P3.

2. After having heard both sides, I dispose of this writ petition with the following directions:-

The petitioners shall file a proper application for one time settlement within two weeks from today. After complying with the formalities prescribed, such as, payment of 10% of the outstanding amount before the first respondent, the first respondent shall thereafter consider the application and pass appropriate orders thereon, in accordance with the scheme, if any, in force. If the petitioners file an application within the said period of two weeks, further proceedings pursuant to the impugned notice shall be kept in abeyance till orders are passed as directed above.

S. SIRI JAGAN,
Judge

Mbs/

S.SIRI JAGAN, J

W.P.(C) NO. OF 2001

J U D G M E N T

DATED:01-06-2007